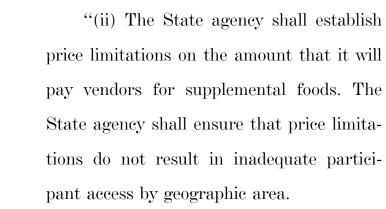
AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 3873 OFFERED BY MR. BOEHNER

Price levels of retail stores

After section 408 insert the following new section (and redesignate succeeding sections and conform the table of contents accordingly):

1 SEC. 409. PRICE LEVELS OF RETAIL STORES.

2	Section 17(h)(11) of the Child Nutrition Act of 1966
3	is amended by adding at the end the following:
4	"(C) Additional requirements.—
5	"(i) The State agency shall evaluate a
6	vendor applicant based on its shelf prices
7	or on the prices it bids for supplemental
8	foods, which may not exceed its shelf
9	prices.





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1	"(iii) In establishing competitive price
2	and price limitation requirements, the
3	State agency may exclude pharmacy ven-
4	dors that supply only exempt infant for-
5	mula or medical foods that are eligible
6	under the program.
7	"(iv) The State agency shall establish
8	competitive price requirements and price
9	limitations for vendor peer groups, as nec-
10	essary to ensure that prices paid to ven-
11	dors are competitive. Vendor peer group
12	competitive price requirements and price
13	limitations may reflect reasonable esti-
14	mates of varying costs of acquisition of
15	supplemental foods.
16	"(D) Incentive items.—The State agen-
17	cy shall not authorize a retail food store that
18	provides incentive items or other free merchan-
19	dise to program participants if funds available
20	under this program were used to purchase such
21	items or merchandise.
22	"(E) Rules of Construction.—Nothing
23	in this section may be construed to authorize

violation of the Sherman Antitrust Act (15



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- 1 U.S.C. 1 et. seq.) or the Robinson-Patman Act
- 2 (15 U.S.C. 13 et. seq.).".

